

A PROPOSED UNIFORM ACCOUNTING PROCEDURE  
FOR KANSAS SCHOOLS

by

VICTOR PINKERTON MOREY

B. S., Fort Hays Kansas State College, 1934

---

A THESIS

submitted in partial fulfillment of the

requirements for the degree of

MASTER OF SCIENCE

KANSAS STATE COLLEGE  
OF AGRICULTURE AND APPLIED SCIENCE

1937

Spec  
Coll  
LD  
2568  
T4  
1937  
m61

## TABLE OF CONTENTS

INTRODUCTION-----	page 1
PROCEDURE-----	3
STATE PROVISIONS FOR UNIFORM ACCOUNTING SYSTEMS-----	6
SUMMARY OF KANSAS LAWS RELATING TO FISCAL PROCEDURE-----	8
CRITERIA-----	11
RESULTS OF QUESTIONNAIRE RELATING TO CLASSIFICATION OF EXPENDITURES AND RECEIPTS-----	12
ESSENTIAL FINANCIAL RECORDS FOR SCHOOLS IN FIRST AND SECOND CLASS CITIES-----	21
Minute Book-----	22
The Budget-----	25
Purchase Requisition-----	32
Bid Form-----	33
Purchase Order and Voucher-----	37
Contract and Order Register-----	38
Journal Voucher-----	40
Payroll Procedure-----	42
The Voucher Register-----	44
Check Register-----	70
Cash Receipts Book-----	71
Insurance Record-----	77
Bond Register-----	79



General Ledger-----	79
Property ledger-----	80
ESSENTIAL FINANCIAL RECORDS FOR SCHOOLS IN THIRD CLASS CITIES, RURAL HIGH, AND RURAL DISTRICTS-----	82
Minute Book-----	82
The Budget-----	83
Contract and Order Register-----	84
Cash Receipts Book-----	85
Check Record-----	85
Expense Distribution Ledger-----	86
CONCLUSION-----	88
ACKNOWLEDGMENT-----	93
BIBLIOGRAPHY-----	93
APPENDIX-----	96

## INTRODUCTION

Early school financial records consisted of little more than a listing of receipts and expenditures. In many cases the school officials depended upon their memories for a large part of the record. As the schools grew larger and expenditures increased, more extensive records were needed. The problem of developing a satisfactory accounting system grew to become one of major significance. Demands have come from at least three sources asking for a solution to the problem. The public, critical of all expenditures, is asking for a careful accounting of school funds. The schools have developed a program which reaches more people and gives more thorough training. This has greatly increased school costs and thrown a greater burden on the accounting system. Those who keep the records have asked for more adequate forms. School administrators are recognizing that the educational program will advance when business management of the school advances. As a result they are accepting the principle that school records must produce information concerning past operations, show its present condition, and provide a basis for guidance as to future operations. Before the schools can secure funds adequate for their program

school officials must be in a position to give the public definite evidence that schools are being economically managed.

Progress in educational administration may be hastened by comparing school costs in one community with similar costs in another community. Some studies are available now for use in attacking this problem. In 1912 the United States Bureau of Education published a report on uniform school records and reports. Another bulletin was issued by the same bureau in 1928. This bulletin (7) is accepted as basic in the planning of uniform record keeping.

The Kansas legislature of 1935 recognized the importance of uniformity in records when it passed a law authorizing a standardized system of fiscal procedure for all municipalities of the state of Kansas. By definition school districts and boards of education are included in the classification of municipalities. A part of the law (29, p. 1890) is as follows:

"There is hereby authorized and there shall be a standardized system of fiscal procedure, accounting and reporting for all municipalities of the state of Kansas, which system shall be uniform in its application to all municipal officers of the same kind, and shall be used by the respective municipalities and their officers and employees when directed by the state municipal accounting board: Providing, That upon the written application of any municipality prior to January 1, 1942, the municipal accounting board may approve and adopt, in whole or in part, the accounting system in use by such municipality."

The purpose of this study is to develop by research a suitable uniform accounting procedure for Kansas schools.

### PROCEDURE

The first step in the solution of this problem was to read the available literature in the field of educational administration as it applied to financial accounting. The purpose was to define and clarify the problem. The authorities in this field recognize the importance of the problem.

Smith (24, p. 131) discusses the problem in this fashion:

"It is imperative that school administrators keep accurate records of income and expense. The computation of educational profits has not yet been reduced to the exact quantitative basis of the manufacturer, nor is it possible to measure them in terms wholly comparable with the means used in industry. The tax-paying public, however, is vitally concerned with the proper spending of public funds, and their proper accounting and reporting are factors in securing adequate support. Furthermore, every educational problem the school administrator faces has its financial aspect. It is therefore necessary that school systems have accurate and adequate financial records."

Reeder (23, p. 506) suggests that both private and public businesses need proper statistics when he writes:

"No business, whether private or public, can be efficiently administered except on the basis of ample, meaningful, and accurate information which will show the functioning and the efficiency of the business 'in toto' and in each of its parts. --Proper statistics are the foundation and the framework for an efficient administration of a school

system; without such data the superstructure of the system is not well buttressed and anchored."

Moehlman (15, p. 380) feels that there is a need for the items that make up the total appropriations in the budgeting and accounting procedure to be synchronized. He believes that the simplest way of doing this is by use of a uniform accounting code.

The importance of uniformity has been well stated by Pittenger (20, p. 131):

"--A good system will be standardized. In its classification, nomenclature, and definitions it will follow accepted practices in the field. The lack of this standardization--or uniformity, as it is sometimes called--is responsible for most of the criticism of current accounting methods by students of educational finance."

Rainey (21, p. 82) has defined the problem clearly:

"One of the outstanding needs in financing public education is a knowledge of comparative costs. A system of cost accounting is needed that will enable Maine to compare costs with California, and Texas with New York for the various school enterprises and functions. One city must compare costs with other cities similar in size and conditions to itself. Comparative costs are needed among the enterprises and functions of the same system in order to insure efficiency and economy. In order that this may be done a uniform system of cost accounting is needed."

Back in 1912 when P. P. Claxton, Commissioner of Education, issued the letter of transmittal to Bulletin No. 3, 1912, he wrote, according to Rainey (21, p. 82):

"The best interests of education demand that there should be adequate and uniform methods and forms for collecting and recording statistics of schools of all kinds in all the States, cities, and rural districts of the Union. The work of collecting, compiling, and interpreting statistics in the Bureau of Education would be greatly helped by this."

The Engelhardts (6, p. 558) have made a most challenging statement concerning uniform accounting:

"Progress in uniform accounting has come because of the recognition of the relationship good accounting bears to managerial success. There is no one authority which is empowered to indicate how the accounts in all local school systems within the country are to be kept. The distinct advantage in this fact is the opportunity for initiative which is thus afforded."

The second step was to send a letter to each state superintendent of public instruction asking for available material on the subject of uniform budgeting and accounting. (A copy of this letter appears in the appendix.) Thirty-seven replies were received. Several of the states sent their handbooks of uniform accounting. The purpose of the collection of these data was not primarily because of interest in past experiences but because of interest in discovering those elements which might serve as a basis for tentative generalizations in solving the problem. In addition to this the Kansas Department of Education was visited and specimen forms secured. The state accountant was likewise consulted in regard to accounting principles involved.

After all this material and the literature available in the library at Kansas State College had been studied, tentative ledger distribution headings were set up and mailed in the form of a questionnaire to all superintendents of first and second class cities in Kansas. The forms were



modified as a result of the questionnaire and the final forms set up were patterned largely from these headings and from forms set up by Case (3), Engelhardt and Von Borgersrode (5), and Foster (7).

As a check on the present status of uniform accounting throughout the United States a questionnaire was duplicated on return post cards and mailed each state superintendent in June 1937.

#### STATE PROVISIONS FOR UNIFORM ACCOUNTING SYSTEMS

As a part of this study data concerning the present status of uniform accounting were collected. Information was available from three sources. Several of the letters which were received from the state departments of education in January 1936 contained statements about their accounting systems. Campbell's study (2, p. 93) contains a table which gives the status of most of the states at the time the study was made. And finally the questionnaires returned by the state departments of education completed the picture.

Table 1 presents a summary of the status of uniform financial accounting in each state. The table shows that only ten states have not taken some action in regard to uniform accounting. Sixteen states are required by law to

use uniform records. Missouri and a few other states have worked out plans for uniform accounting but have no legal authority to make the use of the forms compulsory. There is a decided trend among the Southern states toward adoption of standardized systems. Mississippi provided for such a system in 1936.

Table 1. State provisions for a uniform accounting system.

State	Requirement	State	Requirement
Alabama	By law	Nebraska	By law
Arizona	By regulation	Nevada	None
Arkansas	By regulation	New Hampshire	By law
California	None	New Mexico	None
Colorado	Recommended	New Jersey	By law
Connecticut	None	New York	Recommended
Delaware	By regulation	North Carolina	By regulation
Florida	By law	North Dakota	None
Georgia	None	Ohio	By law
Idaho	Optional	Oklahoma	By regulation
Illinois	Optional	Oregon	By regulation
Indiana	By regulation	Pennsylvania	Optional
Iowa	By law	Rhode Island	By law
Kansas	Authorized	South Carolina	Optional
Kentucky	By law	South Dakota	By law
Louisiana	By regulation	Tennessee	None
Maine	By regulation	Texas	By law & reg.
Maryland	By law	Utah	Optional
Massachusetts	By regulation	Vermont	None
Michigan	By law	Virginia	By law
Minnesota	By law	Washington	By law
Mississippi	By law	West Virginia	None
Missouri	Recommended	Wisconsin	By regulation
Montana	None	Wyoming	By regulation



New Jersey was one of the first states to adopt a uniform school accounting system for statewide use. This system, adopted in 1911, was developed on an accrual basis both for expenditures and for income. Accrual accounting requires considerable bookkeeping and the system has not been widely adopted.

An outstanding system was developed for the schools of New York in 1916. This system related especially to cash receipts and expenditures. The expenditure classifications followed those recommended in the Bureau of Education bulletin which was published in 1912. The original handbook was compiled by Hiram C. Case, Former Chief, Statistics Division, New York State Education Department. The forms and handbook are published by C. F. Williams and Son, Albany, N. Y. A great many school systems outside of New York are also using this method of school accounting.

Although Kansas does not have a uniform system, the development and use of a standardized system has been authorized.

#### SUMMARY OF KANSAS LAWS RELATING TO FISCAL PROCEDURE

When the state accountant was interviewed he suggested that the system of accounting developed for Kansas must be

in harmony with the Kansas laws. Accordingly the statutes were examined and a summary has been made of laws affecting school accounting and procedure.

1. Governing bodies of cities of first and second class are required to have an annual audit. Other municipalities (schools in third class cities, rural high schools, and rural schools) may have an audit upon a petition of the voters.
2. It is unlawful for the governing body of any municipality to create any indebtedness in excess of the amount of funds actually on hand in the treasury.
3. The tax limitation law fixes school levies at not more than 14 mills for schools maintaining both grade school and high school, or six mills for those maintaining a grade school or rural high school. These levies may be increased by 25 per cent under certain conditions.
4. Schools in first and second class cities may have a general fund, building fund, high school extension fund, industrial training fund, and a playground fund in addition to the bond and interest fund.
5. Schools other than those in first and second class cities have only a general fund and a bond and interest fund.
6. The bond and interest fund is handled by the board of

- county commissioners except in first and second class cities.
7. The governing bodies of all school districts shall prepare and post a proposed budget each year.
  8. The clerk must keep a record of all proceedings of district and board meetings.
  9. The clerk must keep a record of all funds in the treasury and contracts or indebtedness against the district. He must show such record upon request of taxpayer of district, person entering into contract with district, or one who has a claim against the district.
  10. The clerk must keep a record of all warrants drawn on the treasury.
  11. The treasurer shall keep a record of all money received and paid out, giving source where received and to whom paid and for what purpose.
  12. The equalization fund set up by the 1937 legislature will provide a new type of revenue for grade schools.
  13. The state sales tax will later take its place as an additional source of revenue for schools.
  14. The forms adopted by the accounting board for use in the schools cannot be copyrighted forms.

## CRITERIA

Certain broad, fundamental principles must be observed when an accounting system is set up. Case (3, p. 5) writes:

"The basic need of every school organization is a simple, comprehensive system of cost accounting which will present a complete record of all receipts and expenditures. Uniform terminology, classification of accounts and methods of bookkeeping are requirements for a general understanding of results. The three essential features of school financial accounts are uniformity, flexibility, and simplicity."

Smith (24, p. 131) lists six functions which a school accounting system should perform:

- "1. Giving a record of funds received--both revenue and non-revenue--allocated by sources.
2. Recording expenditures--by funds where required by law, by functions, by administrative units, and by instructional divisions.
3. Giving a complete record of every financial transaction, including the original documents.
4. Controlling budget appropriations.
5. Giving data for the computation of unit costs.
6. Presenting financial facts for complete and accurate financial reports."

A careful evaluation of these and other statements in regard to accounting procedure has resulted in the setting up of ten criteria of a good fiscal procedure.

1. Safeguards money.
2. Simple as is consistent with good accounting principles.
3. Consistent with law.
4. Meets accounting needs of schools.
5. Elastic enough to meet changing conditions.
6. Provides for cost accounting.
7. Uses uniform terminology to permit comparison with schools in other states.
8. Classified to facilitate making of reports.
9. Arranged so audit may be accomplished economically.
10. Universality of usability.

#### RESULTS OF QUESTIONNAIRE RELATING TO CLASS- IFICATION OF EXPENDITURES AND RECEIPTS

An important phase of uniform accounting centers around the classification of expenditures and receipts. Certainly if results are to be comparable, uniform headings for distribution of expense are necessary. A list of tentative headings for distribution of expenditures and classification of receipts was mailed to seventy-eight superintendents

Table 2. A list of part of the superintendents who reported on classification of expenditures and receipts.

Superintendent	City
W. D. Wolfe	Atchison
K. W. McFarland	Coffeyville
Ira J. Bright	Leavenworth
M. M. Rose	Pittsburg
W. S. Heusner	Salina
A. J. Stout	Topeka
F. C. Gardner	Abilene
D. A. McConnell	Anthony
Roy A. Hoglund	Bonner Springs
M. D. Alcorn	Caldwell
J. R. Popkins	Caney
L. H. Petit	Chanute
John P. Sheffield	Cherryvale
E. B. Allbaugh	Concordia
W. M. Richards	Emporia
C. H. Oman	Garnett
H. C. Scarborough	Great Bend
E. J. Chesky	Herington
E. N. Hill	Humboldt
J. A. Fleming	Iola
W. A. Wood	Junction City
J. L. Engelhardt	Kingman
I. V. Martin	Kinsley
R. V. Phinney	Larned
Maurice B. Myer	Marion
D. E. Wolgast	Marysville
R. W. Potwin	McPherson
Geo. E. Bear	Minneapolis
Gerald Travis	Norton
L. H. Brewster	Osborne
Amos W. Glad	Pratt
Claude Kissick	Wellington
Evan E. Evans	Winfield

in first and second class cities in the state. (A copy of the questionnaire will be found in the appendix.) Thirty-

six of the superintendents replied. Table 2 gives a list of part of those who replied. The table shows that a cross-section of the state is represented, both in regard to location and size of school.

Table 3 contains the distribution ledger headings. The headings are grouped under the major types of expense as determined in the government bulletin (7) edited by Foster. The superintendents were asked to write yes in front of a heading if they thought it should be included in the ledger and no if they thought a heading should not be used. The table gives a summary of the responses. This summary shows that a majority of those answering thought all the headings necessary.

Table 3. Showing the reaction of some superintendents toward proposed classification of expenditures.

yes	no	Account heading	yes	no	Account heading
A. General Control			E. Fixed Charges		
26	1	Board of Ed. & Sec.	28	0	Insurance
23	2	Salaries	23	4	Surety bond premiums
20	6	Clerk	23	5	Rents
20	6	Treasurer	24	4	Taxes
20	6	Clerical	13	15	Contributions
27	0	Supplies	20	4	Pensions
25	3	Auditing and legal	14	5	Monthly allotments
25	4	School elections	14	5	Transfers to other boards
17	9	Reports			
26	1	Other expense	14	5	Refunds of assessment

Table 3. Continued.

yes	no	Account heading	yes	no	Account heading
25	1	Superintendent	11	7	Payments to heirs of deceased teachers
26	1	Salaries			
21	6	Traveling exp.			
24	3	Clerical			F. Auxiliary Agencies
26	1	Supplies			
21	6	Printing and pub.	25	0	Libraries
18	9	Telegrams, express	25	2	Salaries
24	3	Census & comp. educ.	21	6	Repair & replacement (not new books)
25	2	Other expense	24	4	Magazines
			25	3	Other expense
		B. Instructional Service	24	1	Health service
			20	5	Physician
26	0	Supervisors	25	1	Nurse
27	0	Salaries	21	4	Dentist
23	4	Other expense	20	5	Medicine
26	0	Principals	22	2	Other expense
27	0	Salaries	25	1	Recreation & playgrnd.
24	2	Clerical			G. Transportation
27	1	Supplies			
27	0	Teachers' salaries	20	4	Wages of drivers
22	6	Kindergarten	17	5	Gas, oil, and grease
20	7	Grades 1-6	16	5	Repair and upkeep
21	7	Junior high	15	7	Tires
21	7	Senior high	18	5	Insurance
26	1	Supplies used in inst.	15	7	Property
1	0	Art	15	7	Casualty
24	2	General	15	7	Transportation by contract
23	3	Music	16	4	Total expense of transportation
22	3	Physical educ.			H. Supplemental Educational Activities
23	3	Science			
21	4	Agriculture	21	3	Summer school
23	3	Commerce	20	4	Summer playground
24	2	Home economics	21	3	Evening school for adults
25	2	Industrial train.	18	4	Salaries
25	2	Free texts	17	4	Inst. supplies
22	5	Commencement & exhibits	17	5	Janitor's services
26	0	Other expenses	16	3	Junior college
		C. Operation of Plant			
24	3	Salaries of supervisors of bldg. and gds.			
28	0	Wages of janitors			
28	0	Janitors' supplies			



Table 3. Concluded.

yes	no	Account heading	yes	no	Account heading
					I. Capital Outlay
28	0	Fuel			
28	0	Water			
28	0	Electricity	23	0	Grounds
20	4	Light	21	3	Land
21	4	Power	19	4	Improvement
28	0	Telephone	22	0	New bldg. & equip.
24	3	General care of grounds	24	0	Building
21	5	Services other than personal	24	0	Service systems
26	1	Other expense	24	0	Furniture
			22	2	Apparatus used in instruction
			20	3	Old bldg. & equip.
		D. Maintenance	20	2	Alterations
			20	2	Service systems
28	0	Upkeep of grounds	20	2	Bldg. equipment
28	0	Repair of buildings	20	2	Furniture
24	3	Repair and replacement of service systems	19	3	Apparatus used in instruction
25	3	Repair and replacement of inst. apparatus	22	2	Library (new books)
27	1	Repair and replacement of furniture	21	5	Transportation equip.
26	0	Other expenses	21	3	Special improvement taxes
					J. Debt Service
			24	0	Payments of principal
			24	0	Payments of interest
			24	0	Fiscal agency commission

In a similar way the receipts were classified. Table 4 contains a summary of the results obtained from this section of the questionnaire. With one or two exceptions the classifications were approved by the superintendents who answered.

Table 4. Showing the reaction of some superintendents toward proposed classification of receipts.

yes	no	Account heading	yes	no	Account heading
		Revenue Receipts	23	0	Vocational aid
			20	0	State
20	0	Taxes	20	0	Federal
22	1	General property	19	0	Interest, premiums, discounts
22	1	Current	19	5	Interest, penalties on delinquent taxes
21	1	Prior years	19	4	Int. on bank deposits
21	1	Intangible tax	16	6	Int. on investments
19	2	Current	16	6	Premium on bonds sold
18	3	Prior years	16	8	Discount on bonds purchased
21	1	Dog tax			
18	3	Current			
17	4	Prior years			
22	0	Fees and Miscellaneous			
23	0	Tuition			
22	2	County	19	3	Non-Revenue Receipts
22	2	From other districts	18	1	Refunds and recoveries
21	2	Private			Refunds of expenditures
20	5	Laboratory fees	19	1	Insurance recoveries
19	6	Library fines	9	1	Bonds issued
19	2	Gifts and grants	18	4	Sale of capital assets
22	0	Barnes aid			
23	0	State school fund			
22	0	County fines			

The superintendents were invited to make comments and suggestions relative to the proposed system. Several of the comments are as follows:

Supt. M. M. Rose, Pittsburg: "Under General Control, I think it entirely unwise for Kansas to set up two conflicting administrations. I say conflicting because they can become conflicting. For a long time we have been working

under the impression where there is a business manager, he should be under the direct control of the superintendent. By having two separate administrations, it would suggest having two administrators, one for business and one for education. I believe that the superintendent should be considered the executive officer of the Board of Education and his salary should be thought of both from the business point of view and the educational point of view. A large portion of the superintendent's time must of necessity be given to the business administration of the schools."

Supt. A. J. Stout, Topeka: "I believe the present General Control is not separated into business and educational administration. I note you have printing and publishing under educational administration. That takes no account of printing and publishing under business administration, which may be almost as large. The telegrams and express under business administration would be larger. It might be well to combine those under general control, certainly for a published budget."

Supt. John Sheffield, Cherryvale: "I believe the headings of Business and Educational Administration should be combined. Most superintendents are also the business executives of the board. If we wish to set up a position which will tend to be separate from the superintendent's

office this scheme will provide one, making the clerk an accountant. It isn't necessary or desirable."

Some of the school men felt that the headings indicated a system which was too elaborate. Their comments follow.

Supt. Evan E. Evans, Winfield: "We need a simplified accounting system for our schools rather than a more complex one. A system with an increased number of items over the present forms we are using will call for increased juggling in making the budget match, increased secretarial help, and increased auditing expenses."

Supt. W. A. Wood, Junction City: "Too many divisions for a small system."

Supt. E. N. Hill, Humboldt: "More detailed than commonly used. Expenditures indicated in many instances by notation following number warrant. Calls for more bookkeeping than ordinary clerk wants to do."

Supt. J. R. Popkins, Caney: "Too much detail in some parts."

Supt. R. W. Potwin, McPherson: "Too much detail in places."

Many constructive suggestions were offered. The clerk at Salina made this comment: "I believe it highly advantageous to have the accounting forms and the budget forms agree in their respective classifications--saves a lot of

bookkeeping and splitting up of items. Also I hope the entire accounting system can be kept as simple as possible both for the accountant and for the general public."

Supt. E. B. Allbaugh, Concordia: "Our books are kept on a plan similar to this. Plan is outlined in a publication by C. F. Williams & Son, Albany, N. Y."

Supt. W. M. Richards, Emporia: "The system of public school accounting which is practically uniform throughout the United States except for Kansas, and which was used by most of the larger schools prior to its change in 1933, is a very satisfactory system. I think it would be a decided mistake to use a system different from that system."

Augusta Weimmann, Clerk, Atchison: "I suggest that several blank spaces be provided in each division of the distribution ledger. There are times when these blank spaces are needed. I also suggest that a general voucher register sheet be kept along with the distribution ledger. I presume, however, that you have this in mind."

Supt. I V. Martin, Kinsley: "It is very good. You need columns at the end to distribute or pro rate grade, junior high, senior."

Supt. D. A. McConnell, Anthony: "It would seem that all of these would be essential."

Supt. L. H. Brewster, Orsborne: "This is a good form and I hope the final one is about like it."

Supt. Geo. Bear, Minneapolis: "I approve of most of the forms proposed even though it is difficult to get boards to use such a system."

Supt. E. J. Chesky, Herington: "The need would vary so much with the size of the school. Broad general headings which are used by all schools should be printed."

Several conclusions may be drawn from an examination of the data contained in the questionnaire:

1. The response indicates that the city superintendents are interested in developing a uniform accounting system.
2. Several schools are already using forms with headings similar to the ones proposed.
3. The proposed headings are for the large part acceptable.
4. It appears unwise to set up two administrations under General Control.
5. Few of the larger schools transport many pupils at present and it appears best to have such expense appear on a separate sheet.

#### ESSENTIAL FINANCIAL RECORDS FOR SCHOOLS IN FIRST AND SECOND CLASS CITIES

Legislative enactments have divided Kansas schools into two large groups. In general the laws pertain to schools of

first and second class cities or to schools in the third class cities, grade schools, or rural high schools. For this reason it appears justifiable to plan two types of uniform accounting forms. One set of forms will be for use in first and second class cities, the other will be for the smaller schools. Fundamentally these forms will be similar. The differences will be in degree of complexity.

The proposed forms for the larger schools will be described and explained in detail in this section. Since all actions of the board must originate in a meeting and be recorded in the minute book, the discussion will begin with that book.

#### Minute Book

The minute book is the record of all official acts of the Board of Education. The board has authority only when it is assembled at authorized meetings. The proceedings of such meetings should be recorded accurately and the record should be available at all times. The clerk of the school district keeps the minutes of all special and annual school meetings, as well as the minutes of all regular or special meetings of the board of education. The minutes constitute the legal records of these meetings and of the business

transacted in them.

Case (3, p. 5) states, "A complete, accurate, clear, and concise minute book is the best protection for the board to show the legality of its acts and the honesty and sincerity of its purposes."

The following order is suggested for setting up the record in the minute book:

1. Name of the district.
2. Whether regular or special meeting.
3. Date of meeting.
4. Place and hour.
5. Names of members of the board present and names of members absent.
6. Reading of the minutes of the previous meeting, correction if necessary, approval by the board and the signing of the approved minutes by the president and clerk.
7. The order of business may take the following form with minor variations:
  - a. Presentation of oral and written communications and petitions. Record disposal of each.
  - b. Report of superintendent.
  - c. Committee and individual reports.
  - d. Unfinished business.
  - e. New business, including claims and accounts.



f. Adjournment and hour of adjournment.

During the meeting the minutes may be taken on note paper and recopied as soon as convenient after the meeting is over. The presentation and disposal of each item of business should be recorded. Whenever possible, the minutes should be typed when put in final form. A loose-leaf minute book with a sheet of standard typewriter size is best for this.

The final form should be copied in the minute book in paragraph form. A brief marginal note or index, placed in the left-hand margin opposite the head of the paragraph will indicate the main topic or purpose of each item. The exact wording of all motions, together with the name of the person making the motion, the name of the person seconding the motion and the names of the board members voting for or against the resolution should be recorded.

Audits, budget estimates, notice of bond elections, official reports, and other important written communications should be made a part of the permanent record. They may be copied into the book or pasted in the proper place. All authorizations of payments and all contracts entered into by the board on behalf of the district should be a part of the minutes.

## The Budget

A sound fiscal procedure must take into account the planning of a budget. The accountant sets up a way of recording revenue and disbursements. This provides one of the bases upon which the budget is developed. A budget, according to De Young, (4, p. 7) should consist of three parts: (1) the work plan, which is a definite statement of the educational policies and program; (2) the spending plan, which is a translation of the accepted policies into proposed expenditures; and (3) the financing plan, which proposes means for meeting the cost of the educational needs.

The work plan, which is developed to further the educational policies and program, should be the base from which the expenditures are determined and the financing plan fixed. It is not the purpose of the budget to set up a plan of collecting money and then to devise a way of spending it.

Campbell (2, p. 69) in his study found that none of the states has a provision either by law or regulation, that local school budgets should include a definite statement of a work program. Provisions for long-term planning are likewise absent from laws or regulations. Most of the regulations imply a work plan but do not provide specifically for

it. If the budget is to serve as a true servant of education it can be improved by having a place for the work program. This will give an overview of the entire school system, analyze the details and stimulate confidence among the tax payers.

If a budget is to function properly there must be an adequate accounting system, a definite fiscal year and a regular independent audit. Accounting and budgeting, therefore, are bound closely together.

Certain criteria are needed in developing an adequate budget form and budgetary procedure. Campbell (2, p. 14-19) suggests these criteria:

1. Inclusiveness
2. Balance
3. Responsibility
4. Fiscal control
5. Flexibility
6. Publicity

Every item of expenditure and income should be included. This should include all types of expenditures such as operating, capital outlay, and debt service. The budget form of the state of Washington is reasonably inclusive. It is prescribed by the superintendent of public instruction. The forms provide for itemized estimates of income and expenditures, summaries, comparable data for the last completed

fiscal year, the current year, and the ensuing year, supporting schedule of details for salaries, assessed valuation, tax rate, and estimates for debt service and capital outlay. Louisiana and Colorado budget forms provide for a place for unit costs. Unit costs provide a scientific basis for building a budget.

The budget needs to have a balance between income and expenditure as well as between the various activities and departments. Thirteen states including Kansas have provisions by law that expense shall not exceed income. Louisiana provides a section which shows the state norms in percentages for the major headings of current expense.

The superintendent is responsible for preparing and defending the budget. The board of education is responsible for the publishing and adoption of the budget. After the budget has been adopted then the superintendent by authority of the board of education, executes it.

The budget serves as an instrument in controlling income and disbursements. Unless the budget actually serves as a control it is valueless. It should serve as authority for all expenditures and as an instrument of administrative control.

Flexibility is a desirable factor in the budget. At first thought it appears that this factor is at variance or

opposed to fiscal control. It can easily be seen however, that when emergencies arise, the budget ought to be flexible enough to care for them.

The law requires schools of first and second class cities to publish their budget. This provides for the criteria of publicity.

The combined budget, financial statement, and tax levy form for schools of first and second class cities is functioning reasonably well. Some space might be provided in which to set up a brief work plan. Exhibit A in the budget shows a comparative statement of expenditures. These headings ought to be in agreement with the proposed expenditure ledger headings.

The following headings are necessary to bring about this agreement:

Exhibit "A"

General Fund

General Control

1. Board of education, salaries
2. Board of education, supplies
3. Board of education, clerical
4. Census and compulsory education
5. Salary of superintendent
6. Superintendent's office, clerical
7. Superintendent's office, supplies

Headings for exhibit "A", budget form continued.

8. Printing and publishing
9. Auditing and legal service
10. \_\_\_\_\_  
Instructional Service
  1. Salaries of supervisors
  2. Other expense of supervisors
  3. Salaries of principals
  4. Principal's office, clerical
  5. Principal's office, supplies
  6. Principal's office, other expense
  7. Teachers' salaries
  8. Instructional supplies
  9. Tuition
  10. Commencement and exhibits
  11. Other expense of instruction
  12. \_\_\_\_\_  
Operation of School Plant
    1. Wages of janitors and engineers
    2. Janitor's supplies
    3. Fuel
    4. Water
    5. Light
    6. Power

Headings for exhibit "A", budget form continued.

7. Telephone
8. General care of grounds
9. Other expense of operation
10. \_\_\_\_\_  
Maintenance
  1. Repair and replacement of instructional apparatus
  2. Repair and replacement of furniture
  3. Other expense of maintenanceFixed Charges
  1. Insurance
  2. Surety bond premiums
  3. Rent
  4. Other fixed chargesAuxiliary Agencies
  1. Libraries, salaries
  2. Libraries, repairs and replacements
  3. Libraries, magazines
  4. Health service
  5. \_\_\_\_\_Supplemental Educational Activities
  1. Summer school, salaries
  2. Summer school supplies
  3. Evening school, salaries
  4. Evening school, supplies

Headings for exhibit "A", budget form continued.

Capital Outlay

1. Furniture
2. New books
3. Apparatus used in instruction
4. Trucks and busses
5. Special improvement taxes
6. \_\_\_\_\_

Building Fund

Maintenance

1. Upkeep of grounds
2. Repair of buildings
3. Repair and replacement of service systems
4. \_\_\_\_\_

Capital Outlay

1. Land
2. Improvement of grounds
3. Building, new buildings or additions
4. Building, service systems
5. Building, alterations

Playground Fund

1. Salaries of supervisors
2. New equipment
3. Repairs to equipment



Headings for exhibit "A", budget form concluded.

4. Supplies

5. \_\_\_\_\_

Bond and Interest Fund

Debt Service

1. Payments of principal

2. Payments of interest

3. Fiscal agency commission

4. \_\_\_\_\_

The budget exhibits B and C list receipts and disbursements. A few changes will be necessary here as additional sources of revenue, such as the school equalization fund and sales tax, are made available.

### Purchase Requisition

The first step in the purchasing procedure is the filing of a purchase requisition with the superintendent of schools. The requisition form may serve two purposes: (1) to list the supplies, materials, and equipment needed for current use, to be delivered as soon as possible, and (2) to estimate the commodities or services needed during a certain future period, as a basis for a quantity purchase or for entering into a long-term contract. The needed articles

should be requisitioned well in advance of the actual date needed in order to allow time for obtaining bids. When requisitions are made out for one class of goods at a time, accounting is facilitated. Supplies, equipment, and maintenance needs should not be called for on the same requisition. In small systems, however, the same form may be used for all purposes.

Figure 1 shows a purchase requisition form. It should be made in duplicate. One copy is sent to the superintendent of schools, the other is filed in the office of the principal where the requisition originated. The form is self-explanatory.

#### Bid Form

Bids for materials or services enable the superintendent and board of education to estimate the budget accurately. The main purpose of competitive bids is to secure full value for each dollar spent. De Young (4, p. 387) states that twenty-two states have laws requiring that boards place the purchase of supplies and equipment on a competitive basis. Certainly when the purchase is for a large amount it is wise to secure bids. Care must be taken to set up specifications to insure that quality as well as price is determined.



Figure 2 is a form which may be used to send to vendors who wish to make bids.

Bid Form _____ Public Schools Request for Bid					
To: _____			Date _____		
Address: _____					
The Board of Education of the _____ Public Schools desires to receive bids on the various materials listed below. If you wish to submit a bid on all or part of these items, please do so before _____. Conditions covering bids and purchases appear on the back of this sheet.					
_____ Superintendent					
What terms are you quoting on this bid? _____					
Mail all bids to _____, or deliver them sealed at the superintendent's office.					
Item	Description or specifications	Quantity desired		Unit Price	Total Price
		No.	Unit		
We hereby agree to furnish the above names articles at the price stated, within the delivery time allotted, and that quantity and quality will be in conformance to specifications. Name of firm: _____ By _____ Address _____					

Fig. 2. Bid form.

De Young (4, p. 391) has set up a list of bid conditions which might well be printed on the reverse side of the bid form. Figure 3 gives a list of the conditions which are printed on the back of the proposed bid form.

1. All bid prices must be submitted on this blank.
2. All quotations must be f. o. b. destination.
3. Delivery must be made within the date specified.
4. Terms and discount for cash must be stated in the space indicated.
5. Bids must be for the article specified unless the words "or equivalent" are inserted. Otherwise substitute bids will not be considered. Where substitute bids are permitted, samples of substitutions must be submitted with the bids.
6. Bids must be submitted sealed before the date specified.
7. Contracts will be awarded by item. No bid must be contingent upon acceptance of entire list.
8. All bids are submitted to the board of education at the next subsequent meeting when awards are made.
9. The Board of Education reserves the right to reject any or all bids.
10. The quality of goods must be as per sample and specifications and must be acceptable to the Superintendent subject to the approval of the Board of Education.
11. Each sample must be marked with name of vendor and specifically for what it is submitted. Samples must be delivered free of charge and those soiled in process or spoiled by examination or test will not be paid for by the Board of Education.
12. All cartons and cases must be marked on outside stating amount and contents therein and the bidder must guarantee count of contents whenever unpacked at the Board of Education stock rooms.
13. Quantities specified on this sheet are present estimates and are within 85% to 110% of the final quantities to be purchased.
14. Purchase orders will be issued to successful bidders within thirty days of receipt of bid.

Fig. 3. Bid form (back).

### Purchase Order and Voucher

All materials should be bought through purchase orders. These should be numbered serially. This form has been planned so that it may also serve as a voucher. The term "voucher" has been conventionally applied to the exhibit used to form the basis for the accounting entry. The voucher is usually thought of as an itemized claim which has been approved for payment by the Board of Education or other authority.

The purchase order form should be made in triplicate. If the contract has been let through a bid form, all details of the purchase will be known and the amount columns filled out. If the price is not definitely known no amount is entered on the first two copies. The last copy must have an estimated price. The original copy is arranged so that the bill may be itemized and the proper claim form sworn to by the vendor. This copy is then returned to the school and when approved becomes the voucher which gives authority for payment and entry in the books. One end of the order is arranged so that when it has been returned, the fund, code distribution for purpose of expenditure and amount to be charged to each distribution can be entered for posting. The second copy is sent along with the purchase order and

is for the vendor's files. The third copy is arranged for fund distribution and becomes the copy which is used to make the entry in the contract and order register. The copies of the form should be in different colors so that they may distinguished easily. White, blue, and pink could be used for the original, first carbon, and second carbon respectively. The carbons do not need to be printed on the back. In the heading of the first carbon will appear the words "Duplicate for vendor's files", while on the second carbon will be "Triplicate for school accounting office". The purchase order form is illustrated by figure 4.

#### Contract and Order Register

The purchase order or contract is entered in the contract and order register. This form has been provided to record purchase orders and contracts, as required by the cash basis law (10-1117, R. S. 1933 Supp.), which reads in part in the General Statutes (29, p. 102) as follows:

"-----It shall be the duty of the clerk--to keep a record of all contracts creating a liability against the municipality--in which record there shall be shown the date of the making of the contract or the creation of the debt, the amount of the contract or debt, the time payable, and the particular fund from which said payment is to be made."

The orders should be entered on this form at the time the order is sent. The form is arranged so that the amount may be charged to the proper fund. Each entry shall show

(over)



\_\_\_\_\_, Kansas  
To \_\_\_\_\_ Dr.

--	--	--	--	--	--	--	--	--	--

Above named goods received in good condition. \_\_\_\_\_  
Receiving officer.

Approved:

Approved:

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Superintendent of Schools

State of Kansas, County of \_\_\_\_\_, ss.

I do solemnly swear, That the foregoing account is correct, reasonable and just and remains due and unpaid, that the charges herein are legal or ordinary charges for such service or material. So help me God.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 193\_\_\_\_  
My commission expires \_\_\_\_\_

\_\_\_\_\_  
clerk--notary public

the date, order or contract number, name of vendor, purpose, time payable, and estimated amount. When purchase orders are paid, enter the warrant date opposite each purchase order paid in the column provided. The form will then show the items outstanding. The arrangement of this form is shown in figure 5.

#### Journal Voucher

Foster (7, p. 6) explains the use of the journal voucher by saying that it provides a means for authorizing, adjusting, and initiating certain financial proceedings and accounting transactions which are not expenditures. It is used as an authorization for opening the books, as a means for accounting for petty cash and stores, for providing a recapitulation statement for the allocation of salaries to various accounts, for indicating budgetary apportionments or adjustments, and similar transactions. It saves clerical labor and makes accounting control possible. Journal vouchers should be numbered and filed.

Engelhardt and Von Borghersrode (5, p. 11-13) recommend the use of the journal voucher. They suggest that the journal voucher may be used to record data found in the budget. This data will then be in convenient form to enter

CONTRACT AND ORDER REGISTER

	Date Made	Contract or Order No.	Vendor	For	Time Payable	Date of Warrent	General Fund	Building Fund	Bond and Interest Fund	High School Extension	Industrial Training Fund	Playground Fund		

Fig. 5. Contract and order register form.

in the books. Since the information entered on the journal voucher is varied in nature no special form of journal voucher is specified. In many cases the information may be set up on plain paper with the proper reference to source of authority.

### Payroll Procedure

Payroll accounting constitutes an important phase of the business activities of a school system. Smith (24, p. 181) estimates that 70 to 80 per cent of the budget of a modern city school system is expended for salaries and wages. He suggests that a higher degree of uniformity in payroll procedure is desirable.

Payroll accounting procedure has three fundamental functions: (1) the accumulation of the proper service data by which the various employees of a school district may be paid; (2) the accumulation of data whereby school costs, direct and indirect, may be compiled in accordance with the school accounting system in use; and (3) the accumulation of accounting data whereby the proper controlling accounts may be debited and credited in the distribution of the payroll.

The time reports may be made by the principals. This time sheet should carry all data required for action upon

pay allowances for absence. Such pay allowances should be determined at the central office rather than the individual school. The time report is arranged so that absences of regular teachers are recorded and the supply teacher entered for the corresponding period. Figure 6 is an illustration of the time report.

BLANK PUBLIC SCHOOLS					
Time Report					
_____ School				For period ending _____	
Teachers	Date of Absence	Cause	Supply	No. Days of Service	
				Teacher	Supply
<p>I hereby certify that the above time report is correct.</p> <p>_____ Principal</p>					

Fig. 6. Time sheet form.

Time reports of workmen and laborers may be made on the same type of form by changing the headings slightly and putting in an explanation column for the type of work and a

code column. These reports may be made by the head custodian.

In a study made by Smith (24, p. 188) the following items were selected as essential information on the payroll form: name of school, period covered by payroll, names of employees, employees' position in the school system, rate of pay of each, dates absent, deductions, extras, amount due each employee, certification by proper officers, number of check used in paying employee, and provision for allocation of items to the proper controlling accounts. This form is illustrated by figure 7.

The central office can prepare the monthly payroll. When this payroll has been approved it may be recorded under one warrant number and distribution made in the proper columns in the distribution ledger. This can easily be done if the back of the payroll is printed with a form similar to that on the purchase order, thus making a payroll voucher.

### The Voucher Register

A record of all expenditures is made in the voucher register. This form, which is a double page record, serves several purposes. The voucher register provides two



summaries of cash disbursements. The first amount column shows total disbursements. The headings which follow provide a place for recording the fund from which the expenditure is made. The total is again distributed among the proper headings under the group called distribution by purpose of expenditure. The columns under distribution by fund are complete and need no further classification. On the other hand each column under distribution by purpose of expenditure represents an entire form heading in the distribution ledger and may properly be considered a summary statement of disbursements. This form keeps before the clerk at all times a condensed record of expenditures and provides a concise statement from which monthly expenditure statements may be made. The voucher register is shown in figure 8.

The voucher register constitutes an index for the proper filing and general classification of all bills and a proper identification of each warrant issued. Together with the cash receipts form, it is a check-up on the cash book kept by the treasurer.

At the beginning of each fiscal year the budget appropriation, taken from the budget form prepared for that year, should be entered on the first line of the voucher register and the distribution ledger. These amounts should



be entered exactly as they appear in the budget for each fund and for distribution by purpose of expenditure. The amounts under distribution by purpose of expenditure are then further divided under each of the distribution ledger forms.

After an invoice has been approved for payment and the voucher jacket has been prepared with the distribution and classification of expenditures indicated, entry of the items may be made in the voucher register. These entries are made in numerical order, according to the voucher number. Since the vouchers are filed numerically a convenient and ready means of reference is available. First enter in serial order the voucher number, then the purchase order number and date, name of payee, and warrant number and date. Enter the full amount of the voucher in the total column. Occasionally, when a bill is for more than one item of goods it will be necessary to charge the proper part of the bill to each of several ledger classifications. After the amount has been entered in the total column enter under the fund headings the part of expenditure chargeable to each fund. For example: a large bill of goods might contain items chargeable to the general fund and also to the building fund. The total is again considered and the amount entered under the proper column or columns of distribution

by purpose of expenditure. For example: At one time an order might consist of paper towels and mimeograph paper. The cost of paper towels would come under the heading operation, while the cost of mimeograph paper might come under either general control or instructional supplies. Use only one line for each voucher and be sure that the entries on any one line under each distribution equal the total.

The next step is to turn to the ledger page bearing the key letter which corresponds to the key letter of the entry on the voucher. Enter the date of payment, the payee, voucher number and code. The amount is then distributed under the proper headings and the total is entered in the last column. This total should agree with the amount entered in the voucher register.

At the end of each month the voucher register and distribution ledger should be checked for accuracy. Each column should be added and the sum entered in small pencil figures or footings underneath the last entry. The sum of the footings of the distribution columns must equal the sum of the total column. The sum of each total column should equal the sum of its respective account column in the voucher register and the totals of the expenditures by purpose columns should equal the total column. At this time the voucher register and distribution ledger may be closed to show the budget condition. The total of each column may be sub-

tracted from the last budget balance and the new budget balance set down. A line should then be drawn below this budget balance and entries for expenditures continued on the following lines. When the books are closed each month the board and the administrative head are kept informed of the amount of money appropriated to each division which has been spent and the amount which remains.

#### Expense Distribution Ledger

Form A. General Control. The Oregon Department of Public Instruction (12, p. 5) defines general control as, "That group of activities that deal with (1) the carrying out of policies that provide physical, financial, and educational conditions under which the pupil, teacher, principal, and superintendent may work to the best advantage; (2) the provision of channels through which the course of study, general data, and instructions may be quickly and effectively placed in operation; (3) the provision of channels through which information and conditions in the schools may be promptly transmitted to the central officer; (4) putting into operation standards of achievement; (5) the preparation of general data and reports; (6) research activities; (7) general publicity. These are usually the

# VOUCHER REGISTER

Voucher No.	Purchase Order		To Whom Issued	Warrant		Total	Distribution by Funds					
	No.	Date		No.	Date		General	Building	Bond & Interest			

			Distribution by Purpose of Expenditure								
			General Control	Instruc- tional Service	Operation of Plant	Mainten- ance	Fixed Charges	Auxiliary Agencies	Supplemental Activities	Capital Outlay	Debt Service

By printing the back of the sheet with page one, and the front of the sheet with page two, the two may be used as one page.

Fig. 8. Voucher register form.

duties of the superintendent and his assistants."

The expenses of this group are listed under Form A. The heading arrangement is shown in figure 9 and detailed explanation of the column headings is given below.

A-1 Board of education, salaries

Salaries of treasurer and clerk may be charged here.

A-2 Board of education, supplies

Include here supplies for board members, membership in county, state, and national school board associations, periodicals for board members, accounting forms, warrant books, and other records.

A-3 Board of education, clerical

Include salaries of those in charge of business affairs. (secretary, clerks, bookkeeper, or stenographer.)

A-4 Blank

May be used for further sub-division of expenses relating to board of education or secretary.

A-5 Census and compulsory education

Expense of taking census, supplies and expenses relating to census records are entered here. Include salaries and expense of truancy officers.

A-6 Superintendent, salary

Enter salaries of superintendent and assistant.

A-7 Superintendent, clerical

Include salaries of all stenographers and helpers in the superintendent's office.

A-8 Superintendent, supplies

Enter here cost of stationery, postage, typewriter supplies, blank forms, and record cards used in the office of the superintendent.

A-9-10 Blank

These columns may be used for further sub-division of items of general control.

A-11 Printing and publishing

This heading may be used for entering cost of publishing the annual report, budget, and other reports whether by regular printer or by duplicator.

A-12 Auditing and legal service

Include all costs of audits and legal fees, court costs, Condemnation proceedings and other costs pertaining to sites and buildings will be charged to capital outlay.

A-13 Other Expense of General Control

Items not falling under some other head--usually those of infrequent occurrence--may be entered here.

A-14 Total general control

Form B. Instructional Service. This form includes all expenditures concerned directly in actual teaching, aiding in the teaching of children or in improving the quality of

A. GENERAL CONTROL

Date	To Whom	Voucher No.	Code	Board of Education				Census & Comp. Educ.	Superintendent					Printing & Publishing	Auditing & Legal Service	Other Expense of General Control	Total General Control
				Salaries 1	Supplies 2	Secretary Clerical 3			Salary 6	Clerical 7	Supplies 8						

Fig. 9. Form A. General control.

teaching. In large systems where cost by buildings is desired it may be best to keep a separate sheet for each school. This ledger form is designated by B; it is illustrated by figure 10. An explanation of the various headings is given below.

**B-1 Salaries of supervisors**

Include salaries of those who direct and assist teachers in matters pertaining to instruction. Do not include salaries of principals. In case a supervisor renders such service in more than one school prorate the salary among the schools. Supervisors who teach part time should have their salaries prorated between this heading and the proper one of B-8-9-10 or 11.

**B-2 Other expenses of supervisors**

Include traveling and other expenses allowed in attending conventions, and institutes, street car fares, report blanks, stationery used by supervisors.

**B-3 Blank**

May be used for further sub-division of expenses of supervision.

**B-4 Principals' salaries**

Include principals' salaries. If principals teach, divide the salary between B-4 and B-8-9-10 or 11 according to the relative time devoted to supervision,



administrative work, and teaching.

B-5 Principal, clerical

Include cost of clerical assistance used in connection with work in principal's office.

B-6 Principal, supplies

List here stationery, blank forms, report cards, class books, attendance registers, permanent record cards, etc.

B-7 Principal, other expense

Traveling or other expense in connection with the principal's office may be entered here.

B-8 Teachers' salaries, kindergarten

List here salaries of kindergarten teachers.

B-9 Teachers' salaries, grades 1-6

Include salaries of teachers in grades 1-6.

B-10 Teachers' salaries, junior high

Include here salaries of junior high teachers.

B-11 Teachers' salaries, senior high

Enter salaries of teachers in senior high.

B-12 Blank

Reserved for further distribution. May be used by those schools having junior college.

B-13 Blank

B-14 Blank

B-15 Instructional supplies, general

Include those supplies used in instruction which are of a general nature. The headings under this general classification include only supplies and exclude all equipment. A supply is something, the use of which involves its consumption.

B-16 Instructional supplies, art

Include supplies used in drawing and related art.

B-17 Instructional supplies, music

List supplies used in music department.

B-18 Instructional supplies, physical education

List supplies used in carrying on program of physical education.

B-19 Instructional supplies, science

List supplies used in chemistry, physics, biology, and other laboratory courses.

B-20 Instructional supplies, vocational agriculture

List supplies used in department of vocational agriculture. Do not list tools or other equipment.

B-21 Instructional supplies, home economics

List supplies used in department of home economics.

B-22 Instructional supplies, commerce

List supplies, such as typewriter ribbons, used in the commercial department.

## B-23 Blank

May be used for any further sub-division of instructional supplies.

## B-24 Total instructional supplies

Record here the total of columns for instructional supplies.

## B-25 Tuition

Enter tuition paid to other schools or groups for instruction of pupils.

## B-26 Commencement and exhibits

List expenses connected with commencement, such as special music, printing programs, diplomas, etc.

Expenses of pupil exhibits designed to further instructional purposes are also listed here.

## B-27 Other expenses of instruction

List expense of instructional services that is not provided for in one of the other headings.

## B-28 Total cost of instructional service

Put the total that is brought from the instruction column of general control, under this heading.

Form C. Operation of Plant. Expenses which belong under this heading are those incurred in keeping the school buildings open and ready for daily use. Engelhardt and Von Borghersrode (5, p. 42) suggest that it includes all payments involved in keeping the physical plant open and ready

for use, such as heating, lighting, cleaning, moving furniture, care of lawns, shoveling snow, hauling ashes, and telephone service. Care must be taken to exclude from this heading all upkeep, repairs, and replacements which belong under maintenance, as well as all new outlay, resulting in increased valuation of the plant.

An explanation of the distribution of the items belonging to this group is given below. All items of operation are classed under the letter C. The number following the dash refers to the column in that form. Figure 11 is arranged to show how the form appears.

C-1 Wages of janitor

This heading includes wages of all employees engaged in actual work of operation, such as janitors, engineers, firemen, watchmen, groundkeepers, or telephone operators.

C-2 Janitor supplies

Include here all supplies consumed in use or of short life, such as brooms, mops, sweeping compound, soap, electric light bulbs, paper cups and toilet supplies.

C-3 Fuel

Include coal, gas, oil, wood, and other sources of fuel. Freight and cartage connected with same should be entered here.

C-4 Water

B. INSTRUCTIONAL SERVICE

Date	To Whom	Voucher No.	Code	SUPERVISION							TEACHERS' SALARIES					13	14
				Salaries of Supervisors 1	Other Exp. Supervisor 2		Principals				Kindergarten 8	Grades 1-6 9	Junior High 10	Senior High 11			
							Salaries 4	Clerical 5	Supplies 6	Other Exp. 7							
				3.									12				

  

	SUPPLIES USED IN INSTRUCTION										Tuition 25	Commence-ment & Exhibits 26	Other Expense 27	Total Instructional Service 28
	General 15	Art 16	Music 17	Physical Ed. 18	Science 19	Voc. Ag. 20	Home Ec. 21	Commerce 22		Total Instructional Supplies 24				

Fig. 10. Form B. Instructional service.

This includes water used in building and on grounds.

C-5 Light

Include all cost of lighting whether by electricity, gas, gasoline, or kerosene.

C-6 Power

Under this heading list electricity used to operate motors, gasoline, kerosene or other source of power used to operate machinery or appliances.

C-7 Telephone

Include cost of central telephone system and telegraph service.

C-8 General care of grounds

Include care of lawns, trees, shrubs, and flowers, also the cleaning of walks.

C-9-10-11-12 Blank

These headings may be used for further sub-division of operating expense.

C-13 Other expense of operation

Enter here only such costs of operation as cannot be identified with one of the other headings.

C-14 Total expense of operation

Form D. Maintenance. Expenses belonging under this classification are incurred with the object of restoring a piece of property to its original condition of newness, completeness, or efficiency, either through repairs or through

replacement with property of equal value.

These expenditures must be carefully distinguished from operation of plant and capital outlay. Any major alterations or improvements of buildings, improvements of new grounds purchased and additions to equipment are to be included in capital outlay. When entries are made it is advisable to separate the costs between labor and materials.

The letter symbol for this form is D. Detailed suggestions for the entries are given below and figure 12 shows the arrangement of the headings.

D-1 Upkeep of grounds

This includes all items not a part of regular operation expense. Repairs such as regrading, resodding, re-seeding and restoration of lawns, repair of drains, walks, fences, driveways, flagpoles and other non-structural improvements belong here. No improvements of the grounds in the nature of permanent additions should be charged here.

D-2 Repair of buildings

Enter here repairs of buildings including cost of labor material and supplies used in repainting, redecorating, shingling, repairing foundations, replacing doors and windows. Do not include alterations.

D-3 Repair and replacement of service systems

Include here all repair work, labor, material, and supplies used in repairing or replacing the heating, lighting, plumbing, and electrical equipment.

D-4 Repair and replacement of instructional apparatus

Include repairing and replacing broken parts in laboratories, homemaking and industrial arts equipment, typewriters, and machines. In this column as a part of the cost of apparatus upkeep, charge freight and express on new parts purchased for replacement.

D-5 Repair and replacement of furniture

Include here all new pieces bought in order to restore the plant to its original number, completeness, or usefulness.

D-6 Blank

Reserved for further sub-division of maintenance expense.

D-7 Other expense of maintenance

Enter here any expense of maintenance which cannot properly be entered under some other heading.

D-8 Total expense of maintenance

Form E. Fixed Charges. These expenditures include relatively stable recurring expenses, such as rents, insurance, and pensions. They are classified under Form E, which is a part of figure 12. The column headings are



# C. OPERATION OF SCHOOL PLANT

Date	To Whom	Voucher No.	Code	Wages of Janitors & Engineers	Janitor Supplies	Fuel	Water	Light	Power	Telephone	General Care of Grounds					Other Expense	Total Operation
				1	2	3	4	5	6	7	8	9	10	11	12	13	14

Fig. 11. Operation of school plant.

# D. MAINTENANCE

# E. FIXED CHARGES

Date	To Whom	Voucher No.	Code	Upkeep of Grounds	Repair of Buildings	Repair & Replacement of Service Systems	Repair & Replacement of Instruction Apparatus	Repair & Replacement of Furniture		Other Expense	Total Maintenance		Insurance	Surety Bond Premiums	Rent	Other Fixed Charges	Total Fixed Charges
				1	2	3	4	5	6	7	8	1	2	3	4	5	6

Fig. 12. Form D. Maintenance and Form E. Fixed charges.

discussed below.

E-1 Blank

Reserved for any special fixed charge not included in the other headings.

E-2 Insurance

This covers all forms of insurance on plant, transportation, and personnel.

E-3 Surety bond premiums

Enter here premiums on fidelity bonds of treasurer and others for whom such bonds are purchased.

E-4 Rent

Enter here only the actual amount due during the current year.

E-5 Other fixed charges

Charge here any fixed charge not already provided for.

E-6 Total fixed charges

Form F. Auxiliary Agencies. Auxiliary agencies are those activities which while closely allied to the actual instruction are social in their nature. These expenses are grouped under the letter F. Figure 13 shows how Forms F and G are combined. An explanation of the headings is given below for Form F.

F-1 Libraries, salaries

Include here salaries of librarians, assistants, clerks stenographers, and others engaged in library work. If

only a part of their time is given to library work divide salary and charge here such part of time as is given to this work.

F-2 Libraries, repairs and replacement

This includes reference books, dictionaries, etc.

When purchased for the first time all library books should be entered under capital outlay. Books purchased to replace other copies of the same books should be entered here along with transportation charges.

F-3 Libraries, magazines

Enter here cost of magazines used in the library. Do not enter magazines for board or those used exclusively in some department.

F-4 Health service

Enter here salaries, fees of medical inspectors, nurses, cost of treatment and medical supplies.

F-5 Recreation and playground

Include here cost of playgrounds, salaries, supplies, and expenses connected with athletics.

F-6 Blank

Reserved for additional auxiliary agency expenses.

F-7 Total cost of auxiliary agencies

Form G. Supplemental Educational Activities. Supplemental educational activities include those expenses of an educational nature which the school assumes but which are not considered a part of the traditional school activities. These activities are grouped under Form G, and are pictured as part of figure 13. An explanation of the column headings is given below.

G-1 Summer school, salaries

Charge here salaries of instructors in summer school.

G-2 Summer school, supplies

Include here all expense of summer school supplies.

G-3 Summer playground, salaries

Enter here cost of salaries of playground directors, story tellers, and such.

G-4 Summer playground, supplies

Charge here supplies for games and material used on the playground.

G-5 Evening school, salaries

Include salaries of those teaching in evening schools.

G-6 Evening schools, supplies

List supplies used in evening schools.

G-7 Total cost of supplemental activities.

Form H. Capital Outlay. Engelhardt and Von Borgersrode (5, p. 48) define capital outlay as:

"--Expenditures of district funds for anything

(excluding supplies) which results in an increase in the total amount of property owned by the school organization. The payment must result in an addition to property previously possessed. All purchases for repairing or replacing property already owned is upkeep and should be entered under maintenance of plant. Wherever possible, cost of acquiring property, including transportation, should be included as a part of the cost of the property itself. Cost of labor should be separated from cost of material whenever feasible. Exclude from capital outlay all items of equipment, purchased for resale to pupils, such as drawing sets and athletic uniforms, which should be entered under revolving fund accounts."

Figure 14 shows how this form will appear. The detailed headings are discussed below.

#### H-1 Land

Enter here payments for all lands purchased, school sites, additions to school sites, playgrounds or athletic fields, together with all cost of acquiring title to such land.

#### H-2 Improvement of grounds

Include here anything done to the grounds in the way of a new feature, such as seeding, setting sod, flag poles, or new flower beds.

#### H-3 New buildings or additions

The amount to be entered in this column should be limited to the cost of the structure itself exclusive of plumbing, wiring, heating, and ventilating equipment.

#### H-4 Service systems

Include cost of materials and labor for heating and ventilating equipment, fire hose, and fire apparatus, electrical wiring, plumbing equipment and electric service, such as bells, clocks, and elevator equipment, but not electric light bulbs.

H-5 Building alterations

Enter here payments for cost of structural changes in an old building, such as changing partitions or walls. Where the work is in the nature of a replacement or repair, the cost should be entered under maintenance.

H-6 Furniture

Include under this heading cost of all furniture purchased for instructional and non-instructional purposes, such as desks, tables, display cases, work benches, general office and rest room furniture.

H-7 New books

Enter here payments for new books which are not replacements.

H-8 Apparatus used in instruction

Enter items of expenditure for science laboratory apparatus, classroom and gymnasium apparatus, typewriters, shop machines and tools, radios, and motion picture and sound projection equipment.

H-9 Trucks and busses

F. AUXILIARY AGENCIES

G. SUPPLEMENTAL EDUCATIONAL ACTIVITIES

Date	To Whom	Voucher No.	Code	LIBRARIES			Health Service	Recreation and Playground		Total Auxiliary Agencies	SUMMER SCHOOL		SUMMER PLAYGROUND		EVENING SCHOOL		Total Supplemental Activities
				Salaries 1	Repair & Replacement 2	Magazines 3					Salaries 1	Supplies 2	Salaries 3	Supplies 4	Salaries 5	Supplies 6	

Fig. 13. Form F. Auxiliary agencies and Form G. Supplemental educational activities.

H. CAPITAL OUTLAY

I. DEBT SERVICE

Date	To Whom	Voucher No.	Code	Land 1	Improvement of Grounds 2	BUILDING			Furn-iture 6	New Books 7	Apparatus used in Instruction 8	Trucks & Busses 9	Special Improvement Taxes 10	Total Capital Outlay 11	Payments of Principal 1	Payments of Interest 2	Fiscal Agency Commission 3	Total Debt Service 4
						New Bldg. 3	Service Sys. 4	Alterations 5										

Fig. 14. Form H. Capital outlay and Form I. Debt service.



Include cost of busses used in transporting pupils and trucks used in operation and maintenance department.

H-10 Special improvement taxes

Schools do not usually pay taxes unless they are for some special improvement such as sewers, water, or paving.

H-11 Total capital outlay

Form I. Debt Service. All payments which reduce the amount of outstanding school indebtedness should be entered here. This form is combined with capital outlay in figure 14. The headings are explained below.

I-1 Payments of principal

Enter all payments of principal of outstanding bonds.

I-2 Payments of interest

Enter payments of interest on outstanding debts.

I-3 Fiscal agency commission

Enter payments made to a brokerage company for handling the bonds.

I-4 Total debt service

Check Register

The treasurer is required to keep a record of all money paid out. The law states that he must record to whom



the money is paid and the purpose. The check register is provided for this purpose. It is arranged so that the expenditures may be classified by funds. If the school money is kept in more than one depository additional columns will be needed to provide a record of the balance in each bank. The treasurer should present a monthly statement of all receipts, payments, and bank balances.

The column headings of the form are as follows: date of check, warrant number, to whom, for what, check number, total amount, general fund, building fund, bond and interest fund, and three additional fund columns to be filled in as needed.

#### Cash Receipts Book

The most convenient plan for classifying income is by the source from which the money has been received. Cash receipts are of three major types: revenue receipts, non-revenue receipts, and revolving fund receipts.

Engelhardt and Von Borgersrode (5, p. 18) define these terms as follows:

"Revenue receipts are those which do not result in increasing school indebtedness or in decreasing school assets. Taxes and state appropriations are examples of this type. Non-revenue receipts are those resulting in an obligation which must be met at some future date and may or may not result in a decrease of the district assets. Money received

from insurance adjustments, refunds of duplicate payment for goods received, and sale of property are general illustrations. Revolving fund receipts are so called because they include money received from services which the board renders as an agent. They may relate to cash which has already been obligated or expended and for which an accounting has been made and for which a return is anticipated. For example, the school district may sell textbooks or shop supplies to pupils at cost. Purchases of these materials may have been made and the obligations met. The books are sold and the cash return becomes a revolving fund receipt."

Since both the clerk and treasurer are required to keep a record of funds received it seems likely each will need to keep a record on this form. It is illustrated in figure 15. The form is arranged to show source of all types of revenue and the columns are grouped to show allocation to funds. This form has been designated as CR and an explanation of the column headings is given below. The first column is for the date while the second records from whom the money is received.

CR-1 General property

Enter money received from the current year's general property tax which is to be credited to the general fund.

CR-2 Intangible

This column is for entries of receipts from current intangible taxes.

CR-3 Dog tax

Include all current receipts from dog tax.

CR-4 General property

List here money received from back taxes on general property which is to be credited to the general fund.

CR-5 Intangible

List here receipts of delinquent intangible taxes.

CR-6 Dog tax

This column is provided for receipts of delinquent dog taxes.

CR-7 Fees and miscellaneous

Enter fees charged for laboratories, library fines, or other minor miscellaneous receipts.

CR-8 Barnes aid

Enter receipts from Barnes fund. This will be effective only in those counties under the Barnes law.

CR-9 County tuition

Schools in tuition counties will enter here tuition received from county for high school pupils not residing in a high school district.

CR-10 County fines

Enter fines which county superintendent apportions to the schools.

CR-11 Permanent school fund

Enter distributions made by county superintendent from permanent school fund.

**CR-12 Equalization fund**

Enter apportionments received under the new state aid bill.

**CR-13 Sales tax fund**

Enter any money received from the sales tax.

**CR-14 Blank**

May be used for further sub-division of revenue receipts credited to the general fund.

**CR-15 Vocational aid**

Enter receipts from state and federal sources for vocational aid.

**CR-16 Blank**

May be used to enter any new sources of revenue

**CR-17 Interest on daily balance**

This column is provided to record interest received on daily bank balances.

**CR-18 Total revenue receipts**

Enter total of revenue receipts received for the general fund.

**CR-19 Refunds**

Refunds are non-revenue receipts representing amounts returned because of incorrect payment or for any other reason that represents money returned.

**CR-20 Sale of capital assets**

Include the sale of any capital assets such as old buildings, furniture or other property. Do not include property which has been purchased with the idea of reselling as an accommodation.

CR-21 Blank

Reserved for entry of non-revenue receipts not otherwise provided for.

CR-22 Total non-revenue receipts

CR-23 Bond and interest fund

Enter all receipts for bond and interest fund. Usually all receipts credited to funds other than the general fund will come from the general property tax. Care must be taken to see that the proper amount of general property tax or other tax is credited to each fund.

CR-24 Building fund

Enter here all credits to building fund.

CR-25 High school extension fund

Enter all credits to high school extension fund.

CR-26 Industrial training fund

Include all receipts for industrial training fund.

CR-27 Playground fund

If a playground fund is used credit it here for all money received.

CASH RECEIPTS  
GENERAL FUND  
REVENUE RECEIPTS

Date	From Whom	Current year			Prior years				Barnes Aid	County Tuition	County Fines	Permanent School Fund	State Equalization Fund	Sales tax	
		General Property	Intangible	Dog tax	General Property	Intangible	Dog tax								
		1	2	3	4	5	6								

Non-Revenue receipts

CASH RECEIPTS ALLOCATED TO FUNDS OTHER THAN GENERAL

	Voc. Aid		Interest on Daily Bal.	Total Revenue Receipts	Refunds	Sale of Capital Assets		Total Non-Revenue Receipts	Bond & Interest	Building	High School Extension	Industrial Training	Playground	Revolving
	15	16	17	18	19	20	21	22	23	24	25	26	27	28

Fig. 15. Cash receipts book.

#### CR-28 Revolving fund

If a revolving fund is used credit all receipts in this column.

The treasurer should have a receipt blank to give receipts to all who pay him money. This form should be in triplicate. One copy is given to the one who pays the money, one is to be kept for the treasurer's record, the third is for the clerk's record. This receipt should show amount, source of money and fund credited.

#### Insurance Record

Every school system should keep a detailed record of insurance policies. The purpose of the record is to provide a compact and continuous statement of insurance policies purchased by the school district. Figure 16 is an illustration of this form. It provides for the following information: object insured, coverage, insurance company, company's agent, policy number, amount of policy, date of issue, term of years, date of expiration, rate of premium, amount of premium for the term, and the warrant number.

## INSURANCE RECORD

Object insured	Coverage	Company	Co. Agent	Policy No.	Amount of policy	Date of issue	Term of years	Date expires	Rate	Term premium	Paid by warrant No.

Fig. 16. Insurance record form.

## BOND REGISTER

Amount of issue \_\_\_\_\_ Rate of interest \_\_\_\_\_ Purpose \_\_\_\_\_

Date of bonds \_\_\_\_\_ Date sold \_\_\_\_\_ Purchased by \_\_\_\_\_

Payable at \_\_\_\_\_ Interest payable semi-annually on \_\_\_\_\_ and \_\_\_\_\_

Bond No. _____ Amount _____ Due _____ Paid _____	Bond No. _____ Amount _____ Due _____ Paid _____	Bond No. _____ Amount _____ Due _____ Paid _____	Bond No. _____ Amount _____ Due _____ Paid _____	Bond No. _____ Amount _____ Due _____ Paid _____	Bond No. _____ Amount _____ Due _____ Paid _____
Int. payments	Int. Payments	Int. Payments	Int. Payments	Int. Payments	Int. Payments
Coupon No.	Date Paid	Coupon No.	Date Paid	Coupon No.	Date Paid

Fig. 17. Bond register form.



### Bond Register

The record keeping of a school system is not complete without detailed facts concerning outstanding bonds. The register form provided sets up a record which will contain the complete history of a bond issue. Figure 17 shows the plan of the register. The heading provides for recording the amount of issue, interest rate, purpose of issuing the bonds, date of bonds, date sold, the purchaser's name and address, and the dates of interest payment. Columns are provided for each bond showing its number, amount, date due, date paid, and a complete record of interest paid on each bond.

### General Ledger

The accounts of the general ledger are summary records determined by the accounts from other ledgers. In general they serve as controls of the other accounts. Accounts are opened with each of the major headings of receipts. These accounts are debited with the budget estimate at the beginning of the period. The credit entries for these accounts will come from the footings of the columns of cash

receipts. These footings are posted monthly and will show the condition of cash receipts.

In a similar manner, the budgetary allowances for expenditures are posted to the credit side of the proper distribution ledger accounts. At the end of each month the distribution ledger footings are posted to the debit of these accounts.

Smith (24, p. 142) remarks that the general ledger is important in order to summarize the condition of accounts, but admits that in his study he found only half the cities using such a form.

The form provided is arranged so several accounts may appear on each page. Thus a page of the same size as the other ledger pages may be used and all kept in the same book. The general ledger is shown in figure 18.

### Property Ledger

The property ledger, in which are carried capital investment accounts is a valuable record of capital investments. If depreciation records are kept, the property ledger is imperative. Land, buildings, permanent equipment, and other property are items which should be recorded in this ledger. Figure 19 is an illustration of this form.

## General Ledger

Account _____							Account _____						
Date	Voucher Number	Item	Code	Debits	Credits	Bal	Date	Voucher Number	Item	Code	Debits	Credits	Bal

Fig. 18. General ledger form.

Property Ledger										Sheet No. _____	School year _____	
										Unit _____	Dept. _____	No. _____
Item	Code	Year Purchased	Original Cost	Value beginning of year	Capital Outlay during year	Replacement	Loss or Sale	Depreciation Rate	Amount	Value at close of year		

Fig. 19. Property ledger form.

### ESSENTIAL FINANCIAL RECORDS FOR SCHOOLS IN THIRD CLASS CITIES, RURAL HIGH, AND RURAL DISTRICTS

The forms for these schools are essentially no different from those for schools in the first and second class cities. Since the amount and complexity of the expenses will be much less in the smaller schools, the forms have accordingly been simplified. If some of the high schools find it to their advantage they may be given permission to use forms provided for the schools of the first group. On the other hand it may be best for the rural schools which employ one teacher to have their records in two bound books which are of still more shortened form.

The small schools will use these records: minute book, budget form, contract and order register, cash receipts book, check record, and expense distribution ledger.

#### Minute Book

The minute book is the same as that used in the larger schools. An explanation of the procedure to be followed in keeping this record begins on page 22.

### The Budget

The budget form is set up to agree with the expense distribution headings. In other respects the form is practically the same as at present.

The headings for the expenditure section of the school budget are as follows:

1. Board of education, expense
2. School records
3. Other expense of general control
4. Teachers' salaries
5. Instructional supplies
6. Other expense of instruction
7. Janitors' salaries
8. Janitor supplies
9. Fuel
10. Light and water
11. Other expense of operation
12. Repairs to buildings
13. Other repairs
14. Insurance
15. Library
16. Health

- 17. Recreation and playground
- 18. Pupil transportation
- 19. Capital outlay
- 20. \_\_\_\_\_

The only changes necessary in the receipts form will be to provide for new sources of income. Receipts from the school equalization fund would be one of these.

#### Contract and Order Register

Since the law requires a record of contracts and orders to be kept, such a form is provided. Schools of this class are required to keep only a general fund. The form is illustrated in figure 20.

Contract and Order Register						
Date	Order No.	Vendor	For	Time Payable	Date of Warrant	Amount

Fig. 20. Contract and order register form.

### Cash Receipts Book

The cash receipts book will be kept by both the clerk and treasurer. The treasurer should give a receipt for all money received and one copy of the receipt should be given to the clerk so that he may keep his record. The book will be similar to that for the larger schools except extra fund columns in addition to the general fund columns will not be needed. Detailed discussion of this book will be found on page 71 and the pages following.

### Check Record

The check record of the treasurer will agree with the totals listed in the expense distribution of the clerk. The information will include that shown in figure 21. The code number agrees with the column number of the expense distribution ledger in which the amount is found.

Check Record						
Date of check	Warrant No.	To Whom	Purpose	Code	Check No.	Amount

Fig. 21. Check record form.

### Expense Distribution Ledger

Expenditures in the small schools may be kept on one form. Figure 22 shows the arrangement of this form. The clerk's form and the treasurer's form may be the same except on the clerk's the second column will be labeled purchase order while on the treasurer's it may show the check number. Space is allowed for the voucher number and the name of the person to whom the warrant is issued, a column is provided for the total of the warrant. A detailed explanation of the distribution columns is given below.

1. Board of education, expense

Enter salary of clerk for making annual report.

2. School records

Enter here all expense for school registers, attendance forms, or other forms used.

3. Other expense of general control

Enter expenses not already provided for.

4. Teachers' salaries

Enter salaries of all teachers.

5. Instructional supplies

Enter cost of instructional supplies. Sub-divisions may be used for cost of supplies of some particular type if it is desired to segregate them.



6-7. Instructional supplies

Reserved for sub-divisions of instructional supplies.

8. Other expenses of instruction

Enter instructional services not already provided for.

9. Janitors' salaries

Include salaries of those who assist in keeping the school open and ready for use.

10. Janitor supplies

Include cost of brooms, sweeping compound, paper towels and such.

11. Fuel

Enter cost of all types of fuel.

12. Light and water

Include cost of all types of lighting and water used to operate the school plant.

13. Other expenses of operation

Enter operating expense which cannot be classified under one of the other headings.

14. Repairs to buildings

Include both labor and material used in repairing buildings.

15. Other repairs

Enter cost of repairing furniture or equipment.

16. Insurance

Enter all costs of insurance.

## 17. Library

Enter cost of library books.

## 18. Health

Enter cost of providing any health service.

## 19. Playground

Enter cost of playground equipment.

## 20. Blank

May be used for miscellaneous expenses.

21-22-23-24. These columns are reserved for use by those schools which transport pupils.

## 25. Capital outlay

Enter purchase of land, buildings, or permanent equipment, which is not in the nature of a replacement.

### CONCLUSION

As this study was developed some pertinent facts were discovered and certain conclusions were reached. These facts and conclusions are as follows:

1. In 1935 the Kansas legislature authorized the state municipal accounting board to prescribe a uniform accounting system for municipalities of the same kind.
2. The law further provides that prior to January 1, 1942 upon written application of any municipality the

Voucher No.	Purchase Order		To Whom Issued	Warrant		Total	General Control			Instructional Service				Operation			
	No.	Date		No.	Date		Board of Ed. Expenses 1	School Records 2	Other Expense of General Control 3	Salaries 4	Instructional Supplies			Other Expenses of Instruction 8	Janitor's Salary 9	Janitor Supplies 10	Fuel 11
											General 5	6	7				

			Maintenance		Insurance 16	Library 17	Health 18	Recreation and Playground 19	20	Pupil Transportation				Capital Outlay 25
	Light & Water 12	Other Expense of Operation 13	Repairs to Buildings 14	Other Repairs 15						Salaries of Drivers 21	Fuel & Maintenance 22	23	Other Expense of Transportation 24	

Fig. 22. Distribution ledger headings for small schools.

accounting board may approve and adopt, in whole or in part, the accounting system in use by such municipality.

3. A review of literature by authorities in school finance reveals unanimity of opinion that both educational and financial administration will be aided by the development of uniform methods of accounting.
4. All except ten states have taken some steps toward uniform accounting.
5. Sixteen states are required by law to use a uniform accounting system.
6. Since this problem is recognized as both a financial and an educational problem it appears that school administrators should be concerned in its solution.
7. A uniform accounting system for Kansas must be in harmony with Kansas laws.
8. Usually the laws relating to school finance in Kansas divide the schools into two groups: (a) schools in first and second class cities, and (b) third class city schools, rural schools, and rural high schools.
9. Because of the classification of the schools it appears logical to develop a system suitable for the larger schools and simplify it for the smaller schools.
10. An adequate accounting system must safeguard the

money, meet the accounting needs of the school, be elastic, provide for cost accounting, use uniform terminology, and be as simple as is consistent with good accounting principles.

11. The response to the questionnaire indicates that city superintendents are interested in developing a uniform accounting system.
12. Several school systems in first and second class cities are using forms similar to those proposed.
13. The following records are essential for first and second class city school systems:

Minute book

Budget

Purchase requisition

Bid form

Purchase order and voucher form

Contract order register

Journal voucher

Time sheet

Payroll voucher

Voucher register

Expense distribution ledger

Form A. General control

Form B. Instructional service

Form C. Operation of plant

Form D. Maintenance of plant

Form E. Fixed charges

Form F. Auxiliary agencies

Form G. Supplemental educational activities

Form H. Capital outlay

Form I. Debt service

Check register

Cash receipts book

Insurance record

Bond register

General ledger

Property ledger

14. Since the small schools have only a general fund account their records may be considerably simplified.
15. A comparison of expenditures of a rural high school with those of a rural school suggests the advisability of setting up three related systems of accounting rather than the two originally planned.
16. The essential forms for the smaller schools are as follows:
  - Minute book
  - Budget
  - Contract and order register
  - Cash receipts book

Check record

Expense distribution ledger

#### ACKNOWLEDGMENT

The author wishes to express his gratitude to Dr. V. L. Strickland of the Department of Education, Kansas State College, for his kind assistance and inspiration as major instructor, and to Dr. W. E. Sheffer, Superintendent of Schools, Manhattan, Kansas for his wise counsel and patient guidance.

The author also wishes to express his appreciation to the officials of the state departments of education who so kindly supplied information concerning their accounting methods, and to those in the state accounting office who gave friendly criticism and suggestions.

#### BIBLIOGRAPHY

- (1) Beard, Rex.  
Bookkeeping systems for parish school boards.  
La. Dept. Educ. 56 p. 1935.
- (2) Campbell, Raymond Guy.  
State supervision and regulation of budgetary procedure in public school systems. Contributions to education 637. New York. Teachers Col., Columbia University. 111 p. 1935.

- (3) Case, Hiram C.  
Handbook of instructions for recording disbursements for school purposes. Albany, N. Y. C. F. Williams and Son, 56 p. 1917.
- (4) De Young, Chris Anthony.  
Budgeting in public schools. Garden City, N. Y. Doubleday, 610 p. 1936.
- (5) Engelhardt, Fred, and Von Borgersrode, Fred.  
Accounting procedure for school systems. New York. Teachers Col., Columbia University, 130 p. 1927.
- (6) Engelhardt, N. L., and Engelhardt, Fred.  
Public school business administration. New York. Teachers Col., Columbia University, 1068 p. 1927.
- (7) Foster, Emery M., ed.  
Report of committees on uniform records and reports. U. S. Dept. Int., Bur. Educ. Bul. 24, 80 p. 1928.
- (8) Foster, Emery M., and Herlihy, Lester B.  
Economies through budgeting and accounting. U. S. Dept. Int., Office of Educ. Cir. 116, 10 p. 1933.
- (9) Handbook of instructions for Missouri uniform school accounting system. Mo. Dept. Educ. Uniform accounting series, Bul. 1, 46 p. 1934.
- (10) Handbook of instructions for recording disbursements for school purposes. Ariz. State Bd. Educ., 24 p. 1931.
- (11) Handbook relating to public school funds in North Carolina. N. C. Dept. Educ. Educ. Pub. 150, 40 p. 1930.
- (12) Manual on budgets and accounts for Oregon school officials. Oreg. Dept. Public Instruction, 15 p. 1929.
- (13) Manual of instructions in financial accounting. Colo. Dept. Educ. Bul. 1, 14 p. 1933.
- (14) Manual of instructions in financial accounting. Tex. Dept. Educ., 28 p. 1933.
- (15) Moehlman, Arthur B.



- Public school finance. Chicago. Rand McNally, 508 p. 1927.
- (16) Morrison, Henry C.  
The management of the school money. Chicago. Univ. Chicago Press, 522 p. 1932.
- (17) Orr, L. F.  
Uniform accounting system for schools, cities, and towns. Ind. State Bd. Accounting, 41 p. 1926.
- (18) Peel, Arthur J.  
Simplified school accounting. Milwaukee. Bruce, 118 p. 1925.
- (19) Peterson, F. D.  
Handbook of instruction for boards of education, administrators, treasurers and secretaries of Kentucky school districts. Ky. State Bd. Educ., 69 p. 1933.
- (20) Pittenger, B. F.  
An introduction to public school finance. Boston. Houghton Mifflin, 372 p. 1925.
- (21) Rainey, Homer P.  
Public school finance. New York. Century, 385 p. 1929.
- (22) Reeder, Ward G.  
The business administration of a school system. Boston. Ginn, 454 p. 1929.
- (23) Reeder, Ward G.  
The fundamentals of public school administration. New York. Macmillan, 479 p. 1930.
- (24) Smith, Harry P.  
Business administration of public schools. Yonkers-on-Hudson, N. Y. World Book Co., 432 p. 1929.
- (25) Uniform accounting system for school districts. Pa. Dept. Public Instr. Bul. 50, 20 p. 1933.
- (26) Uniform classification of accounts. Utah. Dept. Public Instr. Bul. R-14, 14 p. 1934.

- (27) Uniform financial procedure for general expenditures in Oklahoma schools. Okla. Dept. Educ. Bul. 135, 52 p. 1933.
- (28) Williams, R. C.  
Uniform financial accounting for Iowa school distructs. Iowa. Dept. Public Instr. Research Bul. 15, 62 p. 1934.
- (29) General Statutes of Kansas, 1935. Topeka. Kansas State Printing Plant, 2705 p. 1936.

#### APPENDIX

Copy of letter to state departments of education.

Gentlemen:

The state legislature of Kansas has provided that in addition to the annual budget, the schools shall adopt a uniform accounting system. The school men feel that the system should not only meet the legal requirements, but also be economical to administer and in such form that comparisons may be made with schools in other cities and states.

As part of the requirements for a master's degree from Kansas State College, Manhattan, Kansas, I expect to develop a thesis concerning uniform accounting and budgetary practices for the schools of Kansas. This work is under the direction of Dr. Sheffer of the Manhattan schools, and Dr. Strickland of the Department of Education, K. S. C.

Will you please send me a copy of the regulation of your state concerning school accounting and budgetary practices? If possible I would like to have a sample of the budget forms and accounting blanks which you use.

I will be glad to send you a report of this study if you desire it.

Very truly yours,

Victor P. Morey

Westmoreland, Kansas  
August 15, 1936

To the Superintendents of First and Second Class City Schools:

The question of budgeting and uniform accounting is an important one for Kansas school administrators. The legislature which set up the office of state accountant also provided for the setting up of uniform accounting systems for the various municipalities of the state. School districts and boards of education are included in the definition of a municipality.

The State Accountant, A. R. Jones, is setting up accounting systems for cities and counties. Plans will follow for the schools. It is his desire that the school men avail themselves of the opportunity to make suggestions as to the type of accounting system most suitable for the schools. Under the direction of Dr. Sheffer and Dr. Strickland I am planning to gather material and draw up a proposed system. Your cooperation is desired that we may present to the department a report which is representative of all the schools.

I am enclosing a list of proposed headings for the distribution ledger. These headings agree in the main with those recommended by the Federal Bureau of Education. Will you study these in relation to your ideas of what an accounting system should be and write yes or no in front of each heading (on the blank line) according to whether you think it is desirable or not.

The number of final amount columns may be reduced by accepting a heading and writing no before the subheads. For example: under Board of Education, Salaries, the writing of no in front of clerk, treasurer, and clerical would eliminate them and leave one final column, salaries. In the same way under B. Instruction, Supplies Used in Instruction is it advisable to have a separate column for each department or would it be better to have only one column, Supplies Used in Instruction and eliminate the subheads?

Please feel free to put in additional items and make comments upon the proposed headings.

After the accounting system has been developed I hope to work on the budget form. Will you be willing to assist in this work by answering another check sheet?

Very truly yours,

*Victor P. Moroy*

Victor P. Moroy, Principal  
Westmoreland Rural High School

Sheets checked by

---

---

## A. General Control

## Business Administration

## Educational Administration

Board of Ed & Secy.				Auditing & Legal	School Election	Reports	other Exp	Su P T			Supplies	Printing & Pub	Telegram & Express	Census & Transit	other Exp
salaries				Supplies				Salary	Travel	Clerical					
Clerk	Treas	Clerical													

Amount columns

The illustration shows an arrangement of the account headings of General Control accounts as they will appear on the distribution ledger. The explanation, date, code, and other explanatory columns are not shown. The purpose of this is to clarify the account headings as listed on the check sheets. Compare them with the headings listed under A. General Control. These will be arranged on some sheet of a convenient size. The other divisions, B, C. etc., will be arranged in a similar way and where a division does not have sufficient columns to fill a page two or more divisions may be arranged on one page.

Write yes on the blank lines in front of each heading you think desirable and no in front of those you consider undesirable or unnecessary. An amount column will be provided for each final subhead. Study (A. General Control) and the hektographed page in order to get an idea as to what the final arrangement will be.

# CLASSIFICATION OF EXPENDITURES

## A. General Control

### Business Administration

\_\_\_\_\_ Board of Education & Sec  
     \_\_\_\_\_ Salaries  
         \_\_\_\_\_ Clerk  
         \_\_\_\_\_ Treasurer  
         \_\_\_\_\_ Clerical  
     \_\_\_\_\_ Supplies  
 \_\_\_\_\_ Auditing and Legal  
 \_\_\_\_\_ School Elections  
 \_\_\_\_\_ Reports  
 \_\_\_\_\_ Other Expense

### Educational Administration

\_\_\_\_\_ Superintendent  
     \_\_\_\_\_ Salaries  
     \_\_\_\_\_ Traveling Exp.  
     \_\_\_\_\_ Clerical  
 \_\_\_\_\_ Supplies  
 \_\_\_\_\_ Printing and Publishing  
 \_\_\_\_\_ Telegrams, Express  
 \_\_\_\_\_ Census and Compulsory Education  
 \_\_\_\_\_ Other Expense

## B. Instruction

### Supervision

\_\_\_\_\_ Supervisors  
     \_\_\_\_\_ Salaries  
     \_\_\_\_\_ Other Expense  
 \_\_\_\_\_ Principals  
     \_\_\_\_\_ Salaries  
     \_\_\_\_\_ Clerical  
 \_\_\_\_\_ Supplies

### Instructional Service

\_\_\_\_\_ Teachers' Salaries  
     \_\_\_\_\_ Kindergarten  
     \_\_\_\_\_ Grades (1-6)  
     \_\_\_\_\_ Junior High  
     \_\_\_\_\_ Senior High  
 \_\_\_\_\_ Supplies used in Instruction  
     \_\_\_\_\_ General  
     \_\_\_\_\_ Music  
     \_\_\_\_\_ Physical and Health Educ.  
     \_\_\_\_\_ Science  
     \_\_\_\_\_ Agriculture  
     \_\_\_\_\_ Commercial  
     \_\_\_\_\_ Home Economics  
     \_\_\_\_\_ Industrial Training  
 \_\_\_\_\_ Free Texts  
     \_\_\_\_\_ Commencement Exercises and Exhibits  
 \_\_\_\_\_ Other Expenses

Operation of School Plant

\_\_\_\_ Salaries of Supervisors of  
Buildings and Grounds  
\_\_\_\_ Wages of Janitors  
\_\_\_\_ Janitors' Supplies  
\_\_\_\_ Fuel  
\_\_\_\_ Water  
\_\_\_\_ Electricity  
\_\_\_\_ Light  
\_\_\_\_ Power  
\_\_\_\_ Telephone  
\_\_\_\_ General Care of Grounds  
\_\_\_\_ Services Other than Personal  
\_\_\_\_ Other Expense

D. Maintenance

\_\_\_\_ Upkeep of Grounds  
\_\_\_\_ Repair of Buildings  
\_\_\_\_ Repair and Replacement of  
Service systems(heat, light,  
plumbing)  
\_\_\_\_ Repair and Replacement of  
Instructional Apparatus  
\_\_\_\_ Repair and Replacement of  
Furniture  
\_\_\_\_ Other Expense of Maintenance

E. Fixed Charges

\_\_\_\_ Insurance  
\_\_\_\_ Surety Bond Premiums  
\_\_\_\_ Rents  
\_\_\_\_ Taxes  
\_\_\_\_ Contributions

\_\_\_\_ Pensions

\_\_\_\_ Monthly Allotments  
\_\_\_\_ Transfers to other  
Boards of Education  
\_\_\_\_ Refunds of Assessments  
\_\_\_\_ Payments to Heirs of  
Deceased teachers

F. Auxiliary Agencies

\_\_\_\_ Libraries  
\_\_\_\_ Salaries  
\_\_\_\_ Repair and Replacement  
(not new books)  
\_\_\_\_ Magazines  
\_\_\_\_ Other Expenses  
\_\_\_\_ Health Service  
\_\_\_\_ Physician  
\_\_\_\_ Nurse  
\_\_\_\_ Dentist  
\_\_\_\_ Medicine  
\_\_\_\_ Other Expense  
\_\_\_\_ Recreation and Playground

G. Transportation

Should this be a subhead under  
Auxiliary Agencies yes no

\_\_\_\_ Wages of Drivers  
\_\_\_\_ Gas, oil, and grease  
\_\_\_\_ Repair and Upkeep  
\_\_\_\_ Tires  
\_\_\_\_ Insurance  
\_\_\_\_ Property  
\_\_\_\_ Casualty  
\_\_\_\_ Transportation by contract  
\_\_\_\_ Total Transportation Expense



## Supplemental Educational Activities

## RECEIPTS

_____ Summer school	Revenue
_____ Summer playground	_____ Taxes
_____ Evening School for Adults	_____ General Property
_____ Salaries	_____ Current
_____ Instructional Materials	_____ Prior years
_____ Janitor's Service	_____ Intangible Tax
_____ Junior College	_____ Current
	_____ Prior years
	_____ Dog Tax
	_____ Current
	_____ Prior Years

What subheads are advisable here

## I. Capital Outlay

_____ Grounds	_____ Fees and Miscellaneous
_____ Land	_____ Tuition
_____ Improvement	_____ County
_____ New Bldg. and Equipment	_____ From other districts
_____ Building	_____ Private
_____ Heating, lighting, plumb.	_____ Laboratory Fees
_____ Building equipment	_____ Library Fines
_____ Furniture	_____ Gifts and Grants
_____ Apparatus used in inst.	_____ Barnes Aid
_____ Old Bldg. and equipment	_____ State School Fund
_____ Alterations	_____ County (Fines)
_____ Heating, lighting, plumb.	_____ Vocational Aid
_____ Building equipment (new)	_____ State
_____ Furniture	_____ Federal
_____ Apparatus used in inst.	_____ Interest, Premiums, Discounts
_____ Library (new books)	_____ Interest, Penalties on
_____ Transportation	_____ Delinquent taxes
_____ Trucks and busses	_____ Interest on Bank Deposits
_____ Special improvement taxes	_____ Interest on Investments
	_____ Premiums on Bonds sold
	_____ Discount on Bonds Purchased
	Non-Revenue Receipts
	_____ Refunds and Recoveries
	_____ Refunds of expenditure
	_____ Insurance recoveries
	_____ Borrowings
	_____ Bonds Issued
	_____ Sale of Capital Assets

J. Debt Service

\_\_\_\_ Payments of Principal

\_\_\_\_ Payments of Interest

\_\_\_\_ Fiscal Agency Commission and Postage

Comments and Suggestions